



JON M. HUNTSMAN, JR.

Governor

GARY R. HERBERT

Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

M/043/0012

0002

March 23, 2009

CERTIFIED RETURN RECEIPT

7004 2510 0004 1824 9504

Lon Thomas
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Notice of Cancellation/Termination of Reclamation LOC Number [redacted] and
[redacted] Star Stone Quarries, Inc., Rosebud and Peoa Blonde, M0030026 and
M0430012, Box Elder County, Utah

Dear Mr. Thomas:

Please review the enclosed Key Bank's Notice of Non-Renewal notification indicating the Letter of Credit (LOC) in the amount of \$6,400.00 for the Rosebud Mine and LOC in the amount of \$54,900.00 for the Peoa Blonde Mine. According to the terms of the LOC's, the Bank may elect not to renew as long as a ninety (90) day notice is given to the Division. These terms have been met; therefore, effective June 30, 2009, the LOC's will be not be renewed. Paragraph 2 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety on or before May 21, 2009 or the Division will be forced to do any/some of the following:

- Carry out the terms of the LOC number
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

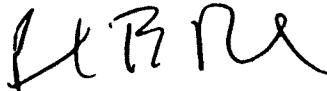


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M0030026 & M0430012
March 23, 2009

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email bondcoordinator@utah.gov . Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure: Notice of Non-Renewal

P:\GROUPS\MINERALS\WPM043-Summit\M0430012-PeoaQuarry\Final\bond-cancel-ltr03112009.doc

M/043/0612

KeyBank National Association
Standby Letter of Credit Services
Mail Code: OH-01-51-0435
4910 Tiedeman Road
Cleveland, Ohio 44144-2338



March 18, 2009

UTAH DIVISION OF OIL, GAS AND
MINING
1594 WEST NORTH TEMPLE, SUITE 1210
BOX 145801
SALT LAKE CITY, UT 84114-5801

***** NOTICE OF NON-RENEWAL *****

RE: Standby Letter of Credit Number:
Origination Date: 6/30/2006
Applicant: STAR STONE QUARRIES, INC.

The above referenced letter of credit was issued with the condition that it be automatically extended without amendment from the present or any future expiration date unless we notify you in accordance with the letter of credit terms.

We hereby notify you that we elect not to extend this credit for any additional period and therefore, this credit will expire in full with our close of business on 6/30/2009.


Authorized Signature

CC: STAR STONE QUARRIES, INC.
4040 SOUTH 300 WEST
SALT LAKE CITY, UT 84107

RECEIVED

MAR 19 2009

DIV. OF OIL, GAS & MINING